FORM MR-LMO
(Revised Nov 2009)

FOR DIVISION USE ONLY
File #: M/049/0079
Date Received:
DOGM Lead: Lynn
Permit Fee $ Ck #
Task: 5295

RECEIVED
FEB 08 2013
DIV. OF OIL, GAS & MINING

Nelco Contractors, Inc.

4520 South 100 West
Price, Utah 84501

NOTICE OF INTENTION TO COMMENCE LARGE MINING OPERATIONS

I. **Rule R647-4-104 - Operator(s), Surface and Mineral Owners**

1. **Mine Name**: Colton Limestone Quarry

2. Legal name of entity for whom the permit is being requested: Nelco Contractors, Inc.
Mailing Address: PO Box 282
City, State, Zip: Price, UT 84501
Phone: 435-637-3495 Fax: 435-637-3497
E-mail Address: jason@nelcocontractors.com

Type of Business: Corporation

Are you currently registered to do business in the State of Utah? Yes
Entity # 229870-5501
Local Business License # 102
Issued by: Carbon County

Registered Utah Agent:
Name: Nelco Contractors, Inc.
Address: 4520 S. 100 W.
City, State, Zip: Price, UT 84501
Phone: 435-637-3495 Fax: 435-637-3497
E-mail Address: jason@nelcocontractors.com

3. **Permanent Address**: Mail—PO Box 282, Price, UT 84501; Physcial—4520 S. 100 W. Price, UT 85401
Phone: 435-637-3495 Fax: 435-637-3497

4. **Contact Person(s):**
Name: Larry Jensen Title: Vice-President
Address: 1244 S. 500 W.
City, State, Zip: Price, UT 84501
Phone: 435-636-5268 Fax: 435-637-3497
Emergency, Weekend, or Holiday Phone: 435-637-6431
E-mail Address: larry@nelcocontractors.com
Contact person to be notified for: permitting (X) surety (X) Notices (X)

5. **Location of Operation:**
   County: Utah
   1/4 of NW 1/4, Section: 36 Township: 11S Range: 8E

6. **Ownership of the land surface**
   Private (Fee) X

   Name: E. J. Stokes Address: 52 S. 350 E., North Salt Lake City, Utah, 84054

7. **Owner(s) of record of the minerals to be mined:**
   Private (Fee) X

   Name: E. J. Stokes Address: 52 S. 350 E., North Salt Lake City, Utah, 84054

8. **BLM Lease or Project File Number(s) and/or USFS Assigned Project Number(s):** NA

   BLM Claim Numbers: NA

   Utah State Lease Number(s): NA

   Name of Lessee(s): NA

9. **Adjacent land owners:**

Name:	**Address:**
Allen Thomas	6802 Prophry Bench, Price UT 84501
Brigham Young University	Investment Properties B-355 ASB, Provo, UT 84602
David & Patricia Blacket	PO Box 507, Springdale, UT 84367-0507
State of Utah	203 State Capital Bldg., SLC, UT 84114-1202
Robert, Jared & Donna Thomas	1455 S. Hwy.6, Price UT 84501

10. **Have the land, mineral and adjacent land owners been notified in writing?**
    Yes X

11. **Does the Permittee / Operator have legal right to enter and conduct mining operations on the land covered by this notice?** Yes X

II. **Rule R647-4-105 - Maps, Drawings & Photographs**

105.1 - Base Map

- **SHEET 4: PHASE 1 LAYOUT** showing property boundary of all land to be affected by mining operations; existing structures; roads; disturbed areas; reclaimed areas; perennial, intermittent, and ephemeral streams; test drill holes; sediment basin, washout pond, check dams, etc. Map Scale: 1 Inch = 300 Feet
- **SHEET 1: GENERAL LOCATION MAP** showing proposed route of access to U.S. Highway 6. Map Scale: 1 inch = 1,000 Feet

- **SHEET 2: EXISTING MINING IMPACTS FROM PREVIOUS OPERATIONS** showing disturbed, mined, partially mined and reclaimed areas. Map Scale: 1 Inch = 300 Feet

SHEET 3: PROPOSED PHASES: showing areas proposed to be disturbed over the life of the mine. Map Scale: 1 inch = 300 Feet**105.2 - Surface Facilities Map & 105.3 - Additional Maps**

(a) Sheet 1: General Location Map (Scale: 1" = 1,000'): Shows adjacent roads and highways, Price River, access road, etc.
(b) Sheet 2: Existing Mine Site Map (Scale: 1" = 300'): Shows

III. Rule R647-4-106 - Operation Plan

106.1 - Mineral(s) to be mined: Limestone

106.2 - Type of Operation Conducted:

The limestone found at this site is layered in three to five seams that are separated by 4 to 6 inches of clay. The thickness of the limestone ranges from 3 to 9 feet in accumulated thickness. The bottom of the lowest layer of limestone is about 10 feet deep. The mining will only extend to that 10 foot depth. A formation of clay lies beneath the bottom of the limestone. Test holes show that the clay is 10 plus feet deep. No additional limestone is expected to be mined at any depth lower than 10 feet.

The mining process will begin by stripping topsoil with dozers, front-end loaders and scrapers. The topsoil will be stockpiled along the edge of the mine operation for reclamation. Signs will be posted to protect the topsoil piles. Large areas of the mine have very little topsoil. The depth of topsoil ranges from 0 to 15 inches. The east 3 acres of Phase 1 have as much as 15 inches of topsoil. The rest of Phase 1 has very small amounts. Vegetation in this area is limited to plants growing out through the cracks in the limestone. Topsoil will only be stripped in large enough areas to allow room for mining and stockpiling. We estimate that under normal mining operations we will have no more than 28.4 acres disturbed at a time.

In areas where topsoil is deeper, (such as the east 3 acres of Phase 1) up to 2 feet of subsoil lies below the topsoil above the limestone seam. This subsoil will be striped with dozers, front-end loaders, and scrapers and stockpiled separately from the topsoil. The subsoil will be saved for final reclamation. Signs will be posted to protect the subsoil.

After the topsoil and subsoil are moved and stockpiled we will have an exposed layer of limestone to begin mining. The exposed limestone will then be fractured into pieces small enough to feed into the crushing equipment. One or all of the following ways will be used:

- **Ripping with a large dozer**
- **Hydraulic hammer:** This would involve breaking each layer of limestone with the hydraulic hammer mounted on a track excavator.
- **Drilling and blasting:** Track drills will drill 2-½ inch diameter holes, 10 feet deep, and 6 feet apart. The holes will be loaded with high explosives and detonated to fracture all the seams of limestone. Blasting will be done by employees licensed to blast.

Fractured pieces will then be fed into the crusher using a front-end loader. Crushing and screening equipment will crush and separate the rock into usable sizes. Crushing equipment will consist of a jaw crusher, cone crusher, impact crusher and screens which will be connected by belts to transfer material from one crusher or screen to another until the size of rock is achieved. Water will be used on each transfer point during crushing to control dust. These materials will then be carried by a front-end loader to the stockpile area a short distance from the crusher. Materials will then be picked up by front-end loader and loaded into trucks to be hauled to market. The truck will then pass over truck scales to be weighed.

All crushing and screening equipment will be portable. This equipment may be moved in and out as demand for the products dictate. Mining will most likely occur in the summer months, due to the difficulty of crushing and screening during wet or freezing conditions.
One front-end loader would stay at the mine site to load trucks as needed.

Fences, gates and physical obstacles will keep unauthorized vehicles from entering the mine site when no company personnel are present.

Explosives will not be stored at or near the mine site. Storage of explosives will take place at Nelco's powder magazine located at our headquarters at 4520 South 100 West, Price, Utah. Nelco's blasting crew will transport required explosives on an as needed basis. During blasting operations the appropriate signage will be posted on the county road. Prior to any charges being set off the road adjacent to the mine will be closed and the gate entrance to the mine will be locked. Once the blast zone has been inspected and deemed safe the county road will be reopened and the signage will be removed.

There is a defined drainage south (upslope) of the mine site that will be diverted into a diversion ditch to carry most of the runoff from above the mine, from entering the mine site. This ditch will be constructed along the south side of Phase 1 and then continue north on the east side of the county road. It will discharge at the north property line back into the natural drainage. Rip rap slope protection and rock checks will be utilized to control erosion associated with the diversion ditch and its discharge back into the natural drainage. Storm water collected from within the mine excavation will puddle along the north edge of the mining operation, along the high wall. A small sediment pond will be constructed at the lowest point at the north end of the mine. The pond will stay in place until Phase 2 commences. The pond will then be relocated to north side of Phase 2. See Sheet 4 for details regarding the sediment pond and drainage diversion ditch.

Reclamation will begin as space becomes available behind mining and stockpile areas. Reclamation will consist of spreading available subsoil 1 foot thick as far as it will go, and by then spreading 6 inches of topsoil over the subsoil. Those areas that do not receive subsoil will have the in place clay in the floor scarified to loosen and topsoil 6 inches of topsoil will be spread as far as it will go. In areas where topsoil is insufficient to cover the subsoil or scarified clay, the clay will be treated with organic matter and fertilizer as recommended by the soil study.

Seed will then be placed by rangeland drill and fertilizer spreader. Weeds will be controlled by spraying as needed.

106.3 - Estimated Acreage

Areas of actual mining in all Phases:	75.3
Overburden/waste dumps:	2 (Temporary)
Ore and product stockpiles:	2 (Temporary)
Access/haul roads:	0.5
Total Acreage	79.8

106.4 - Nature of material including waste rock/overburden and estimated tonnage

Thickness of overburden:	0 to 6	ft.
Thickness of mineral deposit:	6 to 9	ft.
Estimated annual volume of overburden:	0 to 5,000	cu. yds.
Estimated annual volume of tailings/reject materials:	3,000	cu. yds.
Estimated annual volume of ore mined:	20,000 to 100,000	cu. yds.

Overburden/waste description: Clay with small amounts of Limestone Rock varying in size

Annual production will be determined by market demands. We estimate that 20,000 to 100,000 cubic yards of rock sold annually. Mining and stockpiling would occur prior to sale to ensure material is ready for sale. Stockpiles may set for months before sale may occur. Significant amounts of waste material will originate from the layers of clay that lie between the layers of limestone. These materials may be sold if a market is found. If not sold they will be used in final reclamation as a subsoil substitute. There may be small amounts of limestone that may mix with the clay during the mining process that remain stay in the clay and be used in final reclamation. The limestone that is left with the clay will be angular in shape and range in size from ½ inch to 6 inches in diameter.

106.5 - Existing soil types, location of plant growth material

Soil conditions vary across the site with large areas having no topsoil and others having up to 15 inches of topsoil with up to 2 feet of subsoil. Phase 1 test holes show 0 to 4 inches of topsoil except for the east edge along the canyon where there is 15 inches of topsoil and 2 feet of clay subsoil beneath. This subsoil is similar to the clay layers between the limestone layers. Below the topsoil and subsoil is a formation of Fresh Water Limestone that lies in shallow seams ranging from six inches to three feet thick. There are three to five layers of limestone. The layers of limestone are separated by thin layers of clay ranging from 4 to 8 inches thick. Below the limestone is a layer of clay that is over ten feet thick.

Soil test have been performed on the three soils described above (**See Attachment B**).

Soils will be re-sampled at the time of reclamation. The results of these tests will determine the actual rate of fertilizer and/or amendment required at that time. The following fertilizer requirements are likely: The soil reports show that the topsoil of 0 to 15 inches is sufficient to support plant growth for reclamation. A 16-16-8 fertilizer at a rate of one hundred pounds per acre of will be added for nutrient enhancement for final reclamation. Topsoil will be stockpiled with slopes no greater than a 2:1 slope. If soil is stored more than 1 year we will seed with an intermediate seed mix to aid in erosion control. Silt fences will be placed along the tow of the topsoil stockpile slope to serve as erosion control.

Any subsoil that lies under the topsoil and above the limestone will be stockpiled separately and used as subsoil in final reclamation. It is estimated that 3 acres of Phase 1 have subsoil totaling

9,680 cubic yards. The rest of Phase 1 has very little topsoil and no subsoil. Phase 2 is very similar to Phase 1, with the east side having some deeper topsoil and some subsoil beneath. Phase 3 has subsoil under most of the area. Phase 4 has 15 inches of topsoil and 2 feet of subsoil. Phase 5 has very little topsoil and no subsoil.

The clay material from between the layers of limestone, (totaling approximately 16 inches) will be used as subsoil if not sold. The volume of this material will total approximately 2,420 cubic yards per acre. This material will need enhancement of composted material to increase the organic matter, and carbon. Fertilizer will be applied at the following rates per acre: 60 pounds of Phosphorus-P, 160 pounds of Potassium-K, 10 pounds of Zinc-Zn, and 15 pounds Sulfate-Sulfur-S.

The 10 foot layer of clay under the limestone will be suitable for reclamation with enhancement. The soil will be ripped to loosen with a dozer then composted material will be added for organic qualities. Fertilizer will be applied at the following rates per acre: 60 pounds of Phosphorus-P, 160 pounds of Potassium-K, 10 pounds of Zinc-Zn, and 15 pounds Sulfate-Sulfur-S.

No problem soils were found in the soil study. If we run into new soils as the mining proceeds we will have them analyzed. We will then amend this permit with the proper paper work.

106.6 - Plan for protecting and redepositing existing soils

Thickness of soil material to be salvaged and stockpiled:	0 to 15 inches inches
Area from which soil material can be salvaged:	Entire Site acres
Volume of soil to be stockpiled:	Top soil 25,748 cu. Yds.
(cross reference with section 106.5 (a))	Subsoil: 154,488 cu. Yds.

- Four types of soils will be found in the mining operation:

  - **Topsoil:** This layer is found on the surface. It ranges in depth from 0 to 15 inches. This will be stripped using front-end loaders, bowl scrapers, and/or dozers and saved for final reclamation. Stockpiles of topsoil will be placed around the perimeter of the mining activity. Signs will be placed to protect the stockpiles.

  - **Subsoil:** Some areas have subsoil under the topsoil. These areas are small in relation to the entire mine footprint. When subsoil is encountered we will strip and save all of the subsoil for reclamation work.

  - **Limestone:** Competent freshwater limestone is found in multiple layers of varying thicknesses. Limestone layers are separated and under-layered by seams of clay of varying thicknesses.

  - **Clay:** Clay will be generated as the layers of limestone are removed. This clay lies between the layers of limestone. This clay may be sold to market. If the clay is not sold it will be utilized during final reclamation as a subsoil.

The clay beneath the layers of limestone differs from that found between the layers of clay. This

material will not be moved but will be the floor of the mining operation after the limestone is removed. As a final option this clay will be scarified and used for final reclamation either for subsoil or topsoil. This material will also need organic enhancement and fertilizer as addressed in the reclamation section.

The stripping of topsoil will be done with dozers, front-end loaders and scrapers. The topsoil will be stockpiled along the edge of the mine operation for reclamation. Topsoil will be stockpiled with slopes no greater than a 2:1 slope. If soil is stored more than 1 year we will seed with an intermediate seed mix to help with erosion. Silt fences will be placed along the tow of the topsoil stockpile slope to serve as erosion control.

106.7 - Existing vegetative communities to establish revegetation success

(a) Vegetation Survey

Sampling method used	Line Intercept
Number of plots or transects (10 minimum)	10 Plots

Ground Cover	Percent
Vegetation (perennial grass, forb and shrub cover)	23%
Litter	7%
Rock/rock fragments	43%
Bare ground	27%
	100%
Revegetation Requirement (70 percent of above vegetation figure)	16.1 %

The predominant perennial species of vegetation growing in each vegetation community type are as follows:

Cushion Fiox	Cheat Grass
Big Wyoming Sage Brush	Stone Crop Sedum Lanceolatum
Indian Rice Grass	
Rabbit Brush	

(b) Photographs – See Test Plot Photos

No known Natural Resource Conservation Survey is available for this site at this time.

The following line intercept survey was conducted to establish the percents of vegetative cover and the type of vegetation. The line survey ran east to west approximately 200 feet to the North of the existing disturbed mining area. Test plots were 100 feet apart on a straight line. Photos of each test plot are included. The study was performed during June of 2010. Each test plot was 36" by 36" square.

Test Plot No. 1		
60	Sq. Inches	Cushion Flox
57	Sq. Inches	Indian Paint Brush
24	Sq. Inches	Unknown Lomatium
4	Sq. Inches	Unknown Eriron
Test Plot No. 2		
33	Sq. Inches	Cushion Flox
130	Sq. Inches	Rabbit Brush
4	Sq. Inches	Unknown (B) Fern type leaf
6	Sq. Inches	Wheat Variety Grass
Test Plot No. 3		
36	Sq. Inches	Wyoming Big Sage
28	Sq. Inches	Indian Rice Grass
6	Sq. Inches	Gum Weed
160	Sq. Inches	Stone Crop (Sedum Lanceolatum)
Test Plot No. 4		
4	Sq. Inches	Indian Rice Grass
4	Sq. Inches	Stone Crop (Sedum Lanceolatum)
180	Sq. Inches	Rabbit Brush
Test Plot No. 5		
29	Sq. Inches	Indian Rice Grass
57	Sq. Inches	Gum Weed
16	Sq. Inches	Cheat Grass
21	Sq. Inches	Larkspur
Test Plot No. 6		
36	Sq. Inches	Indian Rice Grass
16	Sq. Inches	Rye or Wheat Grass
19	Sq. Inches	Stone Crop (Sedum Lanceolatum)
Test Plot No. 7		
777	Sq. Inches	2-Big Wyoming Sage Brush
29	Sq. Inches	Cheat Grass
Test Plot No. 8		
4	Sq. Inches	Indian Rice Grass
Test Plot No. 9		
712	Sq. Inches	2-Big Wyoming Sage Brush
104	Sq. Inches	Cushion Flox
24	Sq. Inches	Cheat Grass
16	Sq. Inches	Prickley Pear
6	Sq. Inches	Wild Carrot
30	Sq. Inches	Gum Weed
Test Plot No. 10		

378	Sq. Inches	2-Big Wyoming Sage Brush
144	Sq. Inches	Cheat Grass

Ground Cover				
Test Plot	**Vegetation**	**Litter**	**Rock or Rock Fragments**	**Bare Ground**
1	11	0	18	71
2	13	3.5	60	23.5
3	18	25	52	5
4	14	3	80	3
5	9	3	73	15
6	0.6	3	78.4	18
7	62	15	5	18
8	0.03	0	55	45
9	68	4	0	28
10	40	15	9	46
Average:	23	7	43	27

The Lease Agreement with the land owner specifies for Nelco to re-vegetate with plant species in final reclamation that will benefit cattle and domestic stock. The owner has no interest in restoring the native plants that are not beneficial to his use. We have surveyed the naturally occurring species; however, we intend on complying with the landowner's wishes. Vegetation covers 25% to 65% of the ground (depending on soil depths). Most of Phase 1 has very little topsoil. The coverage of growth in this area is very sparse. The east 3 acres of Phase 1 have more topsoil and much more growth at present. Mountain sagebrush is the dominant species with oak brush, elderberry, rabbit brush, Bluebunch wheatgrass, Indian ricegrass, Penstemon, Oregon-grape, Indian rice grass, slender wheatgrass, and serviceberry.

With the success of the past reclamation conducted by our company we are confident that the existing soils will provide adequate growth potential. Actually, we expect to achieve better results than the pre-mining plant growth as we remove the surface rock and place saved soils for final reclamation in its place.

106.8 - Depth to groundwater, overburden material & geologic setting

It is not expected that ground water will be encounted during mining operations. Our mining is only 10 feet deep and no ground water has been encountered during past mining activities. The rock formation leads us to believe that the canyon to the east of this mine site would draw any water away from the surface where we will be mining.

The geology underlying this location is the Tertiary Flagstaff Limestone formation. This formation outcrops in many locations along the Price and White Rivers, in varying thicknesses.

106.9 - Location and size of ore and waste stockpiles, tailings and treatment ponds, and discharges

We anticipate generating some waste piles of clay that will come from between the layers of

limestone. This material will be stockpiled temporarily and used in final reclamation. As the mining advances and areas behind the mining become available we will reclaim those areas.

We also will generate small amounts of crusher reject material that we anticipate selling. If this material is not sold we will use it in covering high walls and bury it in reclamation. This would be stockpiled with the other products to be sold.

If we determine that washing of the rock products is necessary we will build temporary sediment pond that will be used to circulate water through a wash plant. This would be a small portable screen deck that water will be sprayed over the screen deck washing away the clay that is attached to the limestone. The pond would be no bigger than 100 feet wide, 200 feet long, and 10 feet deep. The pond would be constructed in the clay below the limestone. Clay that is washed off the limestone would drop into the sediment pond and removed occasionally with a track excavator and dumped into the clay storage pile. A field fence with a two-barb top will be installed around the pond for safety precautions. The pond will be drained at the end of each mining season. Water from this pond will also be used for dust control on the floor of the mine site.

The drainage from the south of Phase 1 will be diverted into a bypass ditch that will run north along the east side of the county road and will discharge back into the natural drainage on the north boundary of the property. This ditch will have stone check dams to control erosion. A 100' x 150' x 10' deep sediment basin will be constructed just south of the drainage bypass ditch discharge to allow sediment from Phases 1 and 2 to settle out prior to storm water leaving the property. An 18" diameter CMP culvert outlet with rip rap will be installed in the dike to control erosion. This sediment pond will be cleaned regularly to ensure that sediment will not leave the mine site.

V. Rule R647-108 - Hole Plugging Requirements

No mine shafts are or will be found at this mine site. Exploratory drill holes will be no more than 15 feet in depth and 2.5 inches in diameter. Drill holes will be filled/plugged immediately samples are taken with drill cuttings from the hole itself. A sign at the entry will be posted that will included our company name, facility name, warning information and emergency information. All high wall will be no more than 10 feet high and will not be left vertical; therefore, no berms will be utilized above high walls.

Deleterious materials that will be stored on site will be fuel for the generator. This material will be contained in a tank surrounded by a berm. A liner will be utilized inside this berm and under the tank. All trash, scrap metal and extraneous debris will be hauled to Carbon County Landfill.

Topsoil and subsoil handling and storage are described throughout this document. Topsoil storage piles will have intermediate seed mix applied to them and straw waddles and silt fences will be utilized to control erosion on the down-slope sides.

VI. Rule R647-109 - Impact Statement

109.1 - Surface and groundwater systems

Only surface water systems will be affected while the mine exists. The sediment basin will allow for treatment of surface runoff prior to it leaving the site. Nelco is current with the requirements of the Division of Water Quality.

109.2 - Wildlife habitat and endangered species

Impacts to wildlife habitat will be minimal. The mining operation will generate noise during the day. The mine site is surrounded by hundreds of acres that are similar to this site. Animals using this area may be temporarily displaced during operations. The footprint of the mine site will remove no more than 25 at a time from the wildlife habitat. The acreage surrounding the mine offers thousands of acres for displaced wildlife to go. Deer and elk may be temporarily affected by this operation.

There are not any known riparian areas.

No waterfowl are known to use this area.

There are not any endangered wildlife species in the area.

No mitigation measure will be in place to minimize concerns for wildlife.

109.3 - Existing soil and plant resources

All topsoil and vegetation will be stripped together and stockpiled for final reclamation. The piles will be clearly marked with signs to protect the soil. Topsoil is scarce in some areas of the mine site so great care will be taken to save all topsoil and store it properly. Topsoil piles that will set for more than one year will be seeded with a temporary seed mix to aid in erosion control. Silt fence will also be placed around the down slope of topsoil piles.

There are no riparian or wetland areas on the site. No threatened or endangered plant species have been identified. No efforts will be implemented to protect any plant species.

109.4 - Slope stability, erosion control, air quality, public health & safety

Slope stability will not cause problems because the high wall will be mostly rock. The high wall will not expose any threat of instability to any soils or structures. Erosion control will be mitigated with silt fences, straw waddles and the sediment basin. Erosion is estimated to be very minimal because of the gentle slope of the mine site. The mine operation will create a natural sediment trap for most storm water because of the 10 feet depth of the mining.

Air Quality Permits are required by the State and are in place at all times at all of our mine sites. Dust is minimized by using water at discharge points during the crushing operation. The dust in the general travel areas of roads and mine site equipment travel ways will be watered with a water truck to control dust. Daily watering and precipitation are noted on daily logs for our permit requirements with MSHA. Water will be taken from the Price River for dust control measures. Permits from the State Water Rights Division will be in place to change the point of diversion of our water rights and the change of use. Water will either be pumped from the river to the site or hauled by truck.

The mine site will have physical barriers to keep the public out. MSHA requirements will not allow unauthorized persons to enter the mine site during mining operations. The mine site will not have hazards that would pose a public safety threat if someone entered the mine site unauthorized. Locks will be placed on all machinery that would pose a hazard to unauthorized persons. Fences will only be used if physical barriers are not sufficient to keep unauthorized public traffic out. A gate will be installed at the entrance and locked when no company personnel are present.

VII. Rule R647-4-110 - RECLAMATION PLAN

110.1 - Current land use and post-mining land use

Current or pre-mining land use(s) [other than mining]: Livestock grazing and wildlife habitat
List future post-mine land-use(s) proposed: Livestock grazing and wildlife habitat

110.2 - Reclamation of roads, highwalls, slopes, leach pads, dumps, etc.

The road leading to the mine is a county prescriptive use right of way. Property owners beyond the mine use the existing road for access to their property. This access will have to be maintained. The short road leading from the county right of way will stay in place at the property owner request. No other roads will be built. The general topography of the land will only change by dropping 15 feet as the limestone is mined. Final grades for reclamation will be reshaped to match the existing slopes of the natural topography only 10 feet lower. The north end of the mine site after mine closure will taper onto the existing elevation so no water is impounded.

All high walls will be backfilled to a 3:1 slope with topsoil being replaced, and then seeded using a rangeland drill.

Natural drainage patterns will be re-established into their pre-mining locations. Final reclamation will include stone check dams as often as necessary to control erosion (reference EROSION CONTROL—STONE CHECK DAM detail on Sheet 5). Straw waddles will be placed upstream of each check dam.

No slopes, impoundments (other than storm water sediment ponds), dumps, shafts, adits, drill holes, or leach pads will be used at the mine site.

If deemed necessary to wash the limestone rock products, a small sediment pond will be constructed in the natural drainage to catch any sediment from storm water. Washing of the limestone will require a water containment pond smaller than 100 by 200 feet and 10 feet deep. The wash pond will have an 18" dia. CMP overflow constructed on the north end flowing into a ditch that will discharge into the sediment basin. This pond would store water that we will haul to the site to circulate through the washing equipment. The clay washed off the rock will enter the pond and settle to the bottom. This sediment will be removed periodically with a track excavator and moving the clay into the stockpiles that contain the clay from between the layers of clay. No chemicals will be used for the washing process. The pond will be drained annually and cleaned. Water from the pond will be used for dust control as we drain the pond. The pond will be filled back in after its final use and reclaimed. Contours will remain the same as the pre pond building.

110.3 - Surface facilities to be left

No permanent mining structures or facilities will be left after final reclamation. The land owner has a small, existing building that he wants left with a short road leading to the building that will also be left.

110.4 - Treatment, location and disposition of deleterious materials

There are no deleterious or acid forming materials located on this site. All trash will be hauled to the Carbon County Landfill as it is generated. No trash will be stored onsite.

110.5 - Revegetation planting program and topsoil redistribution

After mining is completed in a large enough area to deem unnecessary for stockpiling or crushing we will begin the final reclamation. The first step will be to re-contour the floor ensuring positive drainage out of the proposed reclaim area, using a dozer. High walls will be covered to a 3:1 slope. Next, we will scarify the entire area with dozers. Stockpiled waste materials will be spread over the floor ensuring positive drainage.

Stockpiled subsoils will then be spread evenly 12 inches thick over the floor of the reclaimed area. These materials will be carried by scrapers, front-end loaders or pushed with dozers. Quantities of subsoil will be insufficient to cover the entire area. Areas not covered by the subsoil will have to utilize the clay the lies beneath the limestone layers. At this point the entire area will be scarified with a dozer running with the contours. Ripper teeth will be no less than 25 inches apart. Topsoil will then be spread 6 inches thick over the subsoil and clay areas as far as it will go. Areas not covered by topsoil will then be treated with organic material or composted manure at a rate of 10 tons per acre. This material will then be mixed into the top 2 inches with a ripper on a dozer or by disking with the contours.

Seed will then be drilled with a rangeland drill at a rate of 10.4 pounds per acre. The drill will run with the contours for erosion control.

Fertilizer will be spread with a broadcast spreader in the following amounts:

- Topsoil areas—100 lbs of 16-16-8 per acre
- Clay (both types)—60 lbs Phosphorus, 150 lbs Potassium, 15 lbs Sulfate, and 10 lbs Zinc per acre

Topsoil placement and seeding will take place in late fall (usually October).

Noxious weeds have been a problem in the past at this site. Monitoring of noxious weeds will continue to take annually in late spring. Weeds (especially Musk Thistle) are controlled using herbicide, usually in early summer. These weed control measures have proven to be quite successful.

Seed Mix:

Slender Wheatgrass	1.0 PLS/acre
Bluebunch Wheatgrass	1.0 PLS/acre

Mountain Brome	1.0 PLS/acre
Thickspike Wheatgrass	1.0 PLS/acre
Piute Orchard Grass	0.5 PLS/acre
Western Wheatgrass	1.0 PLS/acre
Ladak Alfalfa	0.5 PLS/acre
Yellow Sweet Clover	0.5 PLS/acre
Mountain Panstemon	0.5 PLS/acre
Bee Plant	0.3 PLS/acre
Mountain Big Sage	0.1 PLS/acre
Bitterbrush	1.0 PLS/acre
Basin Wild Rye	1.0 PLS/acre
Snowberry	0.5 PLS/acre
Serviceberry	0.5 PLS/acre
	Total: 10.4 PLS/acre

VIII. Rule R647-4-112 VARIANCE

No variance is sought at this time.

IX. Rule R647-4-113 - SURETY

Nelco will provide a Reclamation Surety for Phase I to the Division in the Amount of $151,300.00.00 based upon the Division's per-acre cost for reclamation (escalated 5 yrs) as outlined below:

5-year escalation (2017)			
Item	**Qty.**	**Unit Cost**	**Total Cost**
1st Acre Disturbance	1	$8,100.00	$8,100.00
Additional Acres Disturbance	28	$4,900.00	$137,200.00
Additional equipment mobilization (over 5 acres)	1	$6,000.00	$6,000.00
TOTAL			$151,300.00

X. PERMIT FEE

Fee already paid in 2010 for initial LMO submission. The 2011 and 2012 annual, $500.00 fees have also been paid.

XI. SIGNATURE REQUIREMENT

I hereby certify that the foregoing is true and correct.

Signature of Permittee / Operator/Applicant: Larry Jensen

Name: Larry Jensen

Title/Position: Vice-president

Date: 12-17-12

Confidential Information Enclosed: ( ) Yes (X) No

Mountain Brome	1.0 PLS/acre
Thickspike Wheatgrass	1.0 PLS/acre
Piute Orchard Grass	0.5 PLS/acre
Western Wheatgrass	1.0 PLS/acre
Ladak Alfalfa	0.5 PLS/acre
Yellow Sweet Clover	0.5 PLS/acre
Mountain Panstemon	0.5 PLS/acre
Bee Plant	0.3 PLS/acre
Mountain Big Sage	0.1 PLS/acre
Bitterbrush	1.0 PLS/acre
Basin Wild Rye	1.0 PLS/acre
Snowberry	0.5 PLS/acre
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XI. SIGNATURE REQUIREMENT

I hereby certify that the foregoing is true and correct.

Signature of Permittee / Operator/Applicant: Larry Jensen
Name: Larry Jensen
Title/Position: Vice-president
Date: 2-5-13

Confidential Information Enclosed: ( ) Yes (X) No

IN THE UTAH COURT OF APPEALS

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Emery Industrial Resources, Inc.; and Dan Powell, Plaintiffs and Appellants, v. E.J. Stokes; Larry Jensen; Nelco Contractors, Inc.; and John Does 1-10, Defendants and Appellees.	SETTLEMENT AGREEMENT Case No. 20090630-CA Trial No. 050400718

Appellants Emery Industrial Resources, Inc. and Dan Powell (collectively "Appellants"), and Appellees, E.J. Stokes, Larry Jensen, and Nelco Contractors, Inc. (collectively, "Appellees"), participated in settlement discussions under the direction of the Appellate Mediation Office. As a result of those discussions, the parties were able to reach this agreement.

In consideration of the premises herein stated, the parties do hereby stipulate and agree as follows:

1. Within 30 days of the execution of this Agreement, Appellees shall pay to Emery Industrial Resources, Inc. a lump sum payment of $50,000 in valid funds. Appellants shall provide a W-9 form to Appellees, with the required information for the "payee" of the settlement payment.

2. Within 30 days of the execution of this Agreement, Appellants shall identify which of the existing piles of stockpiled materials (located on E.J. Stokes' property) Appellants want to use for purposes of removing up to, but not more than, 13,000 tons of stockpiled materials. Appellants shall not remove any sub-surface materials, nor shall Appellants remove or disturb any materials that have already been used for reclamation.

3. On or before December 1, 2009, Appellees may, in their discretion, move and consolidate the selected materials to a location on the property that is readily accessible, so that such materials and Appellants' removal of the same will not interfere with Appellees' activities at the property.

4. On or before November 1, 2010, Appellants may, at their own cost and expense, remove up to, but not more than, 13,000 tons of the above-grade stockpiled materials that were selected by Appellants and, if applicable, moved/consolidated by Appellees. Appellants shall be responsible for obtaining all necessary permits and licenses from the applicable state, county and regulatory authorities for removing such stockpiled materials. Appellants shall not be required to make any royalty payments to Appellees regarding the stockpiled materials that Appellants remove from the property pursuant to this Agreement.

5. Appellants' right to remove the stockpiled materials (up to a total of 13,000 tons) shall terminate and expire as of November 2, 2010.

6. Appellants hereby fully and forever waive and release any and all claims to and rights in the funds held by the Division of Oil, Gas and Mining relating to this property, including, without limitation, any and all funds held by the Division to satisfy reclamation obligations regarding the property. Appellants and Appellees jointly authorize and instruct the Division to release such funds to Appellees.

7. Appellees shall be fully responsible for all reclamation obligations regarding the property, and Appellees shall indemnify and hold harmless Appellants from and against any and all future costs of fulfilling the reclamation obligations regarding the property.

8. Except for the obligations of this Agreement, Appellants and their respective owners, officers, agents, contractors, managers, officers, successors and assigns fully and forever release and discharge Appellees and their respective owners, officers, agents, contractors, managers, officers, successors and assigns from and against any and all claims, actions, liabilities, judgments, fees, costs and expenses, whether known or unknown, existing at law or in equity, arising on or before the date of this Agreement, including, without limitation, any and all claims, actions, and liabilities that were or could have been raised or asserted in this action at trial or on appeal.

9. Except for the obligations of this Agreement, Appellees and their respective owners, officers, agents, contractors, managers, officers, successors and assigns fully and forever release and discharge Appellants and their respective owners, officers, agents, contractors, managers, officers, successors and assigns from and against any and all claims, actions, liabilities, judgments, fees, costs and expenses, whether known or unknown, existing at law or in equity, arising on or before the date of this Agreement, including, without limitation, any and all claims, actions, and liabilities that were or could have been raised or asserted in this action at trial or on appeal.

10. The parties hereto acknowledge and agree that they have had an adequate opportunity to review and understand this Agreement, and that they have been represented by legal counsel of their choice throughout the negotiations and approval of the terms of this Settlement Agreement. The parties represent and warrant that they intend to be bound by, and comply with, the terms and provisions of this Agreement.

11. This Agreement contains the full understanding of the parties with respect to the subject matter hereof, and contains all of the terms and provisions of their agreement. This is a fully integrated agreement which cannot be altered or amended except by a written document duly signed by all of the Parties.

12. In the event of any action relating to the interpretation or enforcement of this Agreement, the prevailing party shall be entitled to an award of attorney fees and court costs, to be paid by the nonprevailing party.

13. Each party shall be responsible for their own costs and fees on appeal and at trial.

14. Upon receipt of the $50,000 settlement payment referenced above, the parties hereby authorize their attorneys to sign the necessary court documents required to obtain a dismissal, with prejudice, of this action and the appeal thereof.

Dated this 25th day of September, 2009.

Dan Powell, Appellant on behalf of himself and Emery Industrial Resources, Inc.

Guy L. Black,
Counsel for Appellants

E.C. Stokes, Appellee

Larry Jensen, individually and on behalf of Nelco Contractors, Inc.

Paxton R. Guymon, Counsel for
Appellee, E.J. Stokes

Samuel Chiara, Counsel for
Appellees Larry Jensen and Nelco
Contractors, Inc.

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10/30/2009
6218575532

This is a LEGAL COPY of your check. You can use it the same way you would use the original check.

C124384521J 10/29/2009
350011435

HELCO INC
Contractors
P.O. Box [illegible]
Price, Utah 84501

Zions First National Bank
Price, UT 84501
[illegible]

57903

9/28/2009

PAY TO THE ORDER OF Emery Industrial Resources, Inc. $ **50,000.00

Fifty Thousand and 00/100** DOLLARS

Emery Industrial Resources, Inc.

MEMO 5700

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ZIONS BANK
764000947A

↓Do not endorse or write below this line.↓

RELEASE

FOR THE SOLE CONSIDERATION OF $6000.00 (Six Thousand Dollars), the undersigned hereby releases and forever discharges any claim to any funds currently held or future funds held by The Utah Division of Oil, Gas and Mining or any bond money held.

The undersigned hereby declares that the terms of this settlement have been completely read and are fully understood and voluntarily accepted for the purpose of making a full and final compromise adjustment and settlement of any and all claims relating to the Cherry Hill Limestone Quarry.

Dated: October 19, 2009

Steve Powell,
President of Powell Rock Products

Witness

NELCO INC
CONTRACTORS
P.O. Box 282
Price, Utah 84501

04-91

ZIONS FIRST NATIONAL BANK
PRICE, UT 84501
31-5/1240

58115

10/19/2009

PAY TO THE ORDER OF Stephen Powell

$ **6,000.00

Six Thousand and 00/100********** DOLLARS

Stephen Powell

MEMO 5700

NELCO CONTRACTORS, INC.

Stephen Powell
5700 · Accounting/Legal

10/19/2009

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6,000.00

Zions - New Checking 5700

6,000.00

NELCO CONTRACTORS, INC.

Stephen Powell
5700 · Accounting/Legal

10/19/2009

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